

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL**

**District of Columbia Public Schools**

**Reportable Conditions in Internal Control  
Over Financial Reporting  
and  
Management Letter Comments**

**for the year ended September 30, 2002**



**CHARLES C. MADDOX, ESQ.  
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Inspector General



September 29, 2003

Dr. Paul L. Vance  
Superintendent  
D.C. Public Schools  
825 North Capitol Street, N.E., 9<sup>th</sup> Floor  
Washington, D.C. 20001

Ms. Peggy Cooper Cafritz  
President  
D.C. Board of Education  
825 North Capital Street, N.E.  
Washington, D.C. 2002

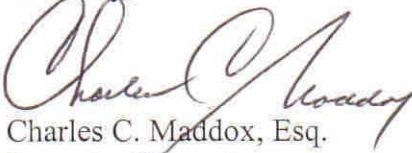
Dear Dr. Vance and Ms. Cafritz:

In conjunction with the audit of the District of Columbia Public School's (DCPS) Budgetary Comparison Schedule – Governmental Funds and Supplemental Information (With Independent Auditor's Report Thereon) for the fiscal year ended September 30, 2002, KPMG, LLP submitted the enclosed Reports: *Reportable Conditions in Internal Control Over Financial Reporting* and *Management Letter Comments*. These reports provide information about DCPS compliance with laws and regulations and the adequacy of internal controls, and recommends actions to improve DCPS operations.

DCPS has responded favorably to the recommendations contained in the reports and in some cases, corrective action has already been taken to remedy the issue. In other instances, aggressive corrective action will be taken to remedy the issues.

If you have any questions, or need additional information, please contact me, or have a member of your staff contact William J. DiVello, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

  
Charles C. Maddox, Esq.  
Inspector General

CCM/cj

Distribution: See List Attached

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To the Members of the Board of Education of the District of Columbia:

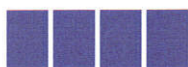
We have audited the Budgetary Comparison Schedule (Schedule) of the District of Columbia Public Schools (DCPS), an agency of the Government of the District of Columbia (District) for the year ended September 30, 2002, and have issued our report thereon dated January 24, 2003. In planning and performing our audit of the Schedule, we considered internal controls in order to determine our audit procedures for the purpose of expressing our opinion on the Schedule. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit, we noted certain matters involving internal control over financial reporting and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's and DCPS' ability to ensure that the objectives of the internal controls are being achieved. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are material weaknesses. Certain of the reportable conditions we have identified were included in our separately issued *Independent Auditors' Report on Internal Control Over Financial Reporting* for the District as a whole dated March 15, 2003. Appendix A presents those and other reportable conditions that specifically apply to the DCPS internal control over financial reporting. We considered item I of Appendix A to be a material weakness.

We also noted other matters involving internal control and operations that are presented in the accompanying Appendix B for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of the DCPS management, are intended to improve the DCPS' internal controls or result in other operating efficiencies. Appendix C presents the current status of the prior year's management letter comments.

Our audit procedures are designed primarily to enable us to form an opinion on the schedule, and therefore, may not bring to light all weaknesses in policies or procedures that exist. We also acknowledge that there is a cost/benefit relationship between establishing and maintaining internal controls. However, we take this opportunity to share our knowledge of the DCPS gained during our fiscal year 2002 audit to make comments and suggestions that we hope will be useful to you. We would be pleased to discuss these comments and recommendations with you at any time.





This report is intended solely for the information and use of the Board of Education of the District of Columbia Public Schools, the management of the DCPS, the Mayor and Council of the District, and the Office of Inspector General of the District, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 24, 2003